

**NINETY-SECOND LEGISLATIVE DAY
MONDAY, APRIL 10, 2006**

House of Representatives

The House convened at 10 a.m., the Speaker in the Chair.

Roll call showed 67 members present.

Absent and excused -- Clark, Mitchell, Trail. Total -- 3.
Total -- 70.

Prayer was offered by Chaplain Jim Hardenbrook.

The Pledge of Allegiance was led by Michael Kelsey, Page.

Approval of Journal

April 10, 2006

Mr. Speaker:

We, your COMMITTEE ON JUDICIARY, RULES, AND ADMINISTRATION, report that we have read and approved the House Journal of the Eighty-ninth Legislative Day and recommend that same be adopted as corrected.

FIELD(18), Chairman

Mrs. Field(18) moved that the report be adopted. Seconded by Mrs. Boe. Report adopted.

**Consideration of Messages from the
Governor and the Senate**

OFFICE OF THE GOVERNOR
Boise

April 7, 2006

The Honorable Bruce Newcomb
Speaker of the House

Dear Mr. Speaker:

I have the honor to advise you that I have signed today and am transmitting to the Secretary of State the following House Bills, to wit:

H 422, as amended in the Senate, **H 561**, as amended in the Senate, as amended in the Senate, **H 570**, as amended, **H 655**, as amended in the Senate, **H 713**, as amended, as amended in the Senate, **H 736**, as amended, **H 737**, as amended, **H 739**, **H 742**, as amended, **H 753**, as amended, **H 760**, as amended, **H 771**, **H 772**, **H 773**, **H 774**, **H 775**, **H 778**, as amended, **H 791**, **H 795**, **H 814**, as amended, **H 834**, **H 836**, **H 837**, **H 838**, **H 839**, **H 844**, **H 849**, **H 852**, and **H 853**

Very truly yours,
/s/ DIRK A. KEMPTHORNE
Governor

There being no objection, the House advanced to the Eleventh Order of Business.

Third Reading of Bills and Joint Resolutions

Mr. Moyle asked unanimous consent that **S 1482**, as amended, be placed at the top of the Third Reading Calendar. There being no objection, it was so ordered.

S 1482, as amended, having previously been read for the third time at length, was placed before the House for final consideration.

At this time, the Speaker recognized Mrs. McGeachin to close debate.

The question being, "Shall **S 1482**, as amended, pass?"

Roll call resulted as follows:

AYES -- Anderson, Andrus, Barraclough, Barrett, Bastian, Bayer, Bell, Bilbao, Black, Block, Bolz, Brackett, Bradford, Chadderdon, Collins, Crow, Deal, Denney, Edmunson, Ellsworth, Eskridge, Field(18), Field(23), Garrett, Hart, Harwood, Henderson, Kemp, Lake, Loertscher, Mathews, McGeachin, McKague, Moyle, Nielsen, Nonini, Raybould, Ring, Roberts, Rydallch, Sali, Schaefer, Shepherd(8), Shirley, Smylie, Snodgrass, Stevenson, Wills, Wood, Mr. Speaker. Total -- 50.

NAYS -- Boe, Henbest, Jaquet, LeFavour, Martinez, Miller, Pasley-Stuart, Pence, Ringo, Rusche, Sayler, Shepherd(2), Skippen, Smith(30). Total -- 14.

Absent and excused -- Bedke, Cannon, Clark, Mitchell, Smith(24), Trail. Total -- 6.

Total -- 70.

Whereupon the Speaker declared **S 1482**, as amended, passed the House. Title was approved and the bill was ordered returned to the Senate.

Mr. Moyle asked unanimous consent that **H 859** and **H 421**, as amended in the Senate, be placed at the bottom of the Third Reading Calendar. There being no objection, it was so ordered.

HJM 26 was read the third time at length and placed before the House for final consideration.

At this time, the Speaker recognized Mr. Bilbao to open debate.

The question being, "Shall **HJM 26** be adopted?"

Roll call resulted as follows:

AYES -- Anderson, Andrus, Barraclough, Barrett, Bastian, Bayer, Bedke, Bell, Bilbao, Black, Block, Boe, Bolz, Brackett, Bradford, Chadderdon, Collins, Crow, Deal, Denney, Edmunson, Ellsworth, Eskridge, Field(18), Field(23), Garrett, Hart, Harwood, Henbest, Henderson, Jaquet, Kemp, Lake, LeFavour, Loertscher, Martinez, Mathews, McGeachin, McKague, Miller, Moyle, Nielsen, Nonini, Pasley-Stuart, Pence, Raybould, Ringo, Roberts, Rusche, Rydallch, Sali, Sayler, Schaefer, Shepherd(2), Shepherd(8), Shirley, Skippen, Smith(30), Smith(24), Smylie, Snodgrass, Stevenson, Wills,

Wood, Mr. Speaker. Total -- 66.

NAYS -- None.

Absent and excused -- Cannon, Clark, Mitchell, Trail.

Total -- 4.

Total -- 70.

Whereupon the Speaker declared **HJM 26** passed the House. Title was approved and the memorial was ordered transmitted to the Senate.

H 673, as amended in the Senate, was read the third time at length, section by section, and placed before the House for final consideration.

At this time, the Speaker recognized Mr. Snodgrass to open debate.

The question being, "Shall **H 673**, as amended in the Senate, pass?"

Roll call resulted as follows:

AYES -- Anderson, Barraclough, Barrett, Bastian, Bayer, Bedke, Bell, Bilbao, Black, Block, Boe, Bolz, Brackett, Bradford, Chadderdon, Collins, Crow, Deal, Edmunson, Eskridge, Field(18), Field(23), Garrett, Hart, Harwood, Henbest, Henderson, Jaquet, Kemp, LeFavour, Martinez, McKague, Miller, Pasley-Stuart, Pence, Ring, Ringo, Roberts, Rusche, Schaefer, Shepherd(2), Shepherd(8), Skippen, Smith(30), Smylie, Snodgrass, Stevenson, Trail, Mr. Speaker. Total -- 49.

NAYS -- Andrus, Denney, Ellsworth, Lake, Loertscher, Mathews, McGeachin, Moyle, Nielsen, Nonini, Raybould, Rydaldh, Sali, Sayler, Shirley, Smith(24), Wills, Wood. Total -- 18.

Absent and excused -- Cannon, Clark, Mitchell. Total -- 3.

Paired Vote:

AYE -- Trail. NAY -- Ellsworth.

(Pair enumerated in roll call above.)

Total -- 70.

Whereupon the Speaker declared **H 673**, as amended in the Senate, passed the House. Title was approved and the bill was referred to Judiciary, Rules, and Administration Committee for enrolling.

Mr. Moyle asked unanimous consent that **SCR 132** be placed at the top of the Third Reading Calendar. There being no objection, it was so ordered.

SCR 132 was read the third time at length and placed before the House for final consideration.

At this time, the Speaker recognized Mr. Deal to open debate.

Mrs. Garrett asked unanimous consent that, pursuant to Rule 22, discussion of be allowed in debate of **SCR 132**. There being no objection, it was so ordered.

The question being, "Shall **SCR 132** pass?"

Roll call resulted as follows:

AYES -- Anderson, Andrus, Barrett, Bastian, Bedke, Bell, Bilbao, Black, Block, Boe, Bolz, Brackett, Bradford, Cannon, Clark, Collins, Crow, Deal, Edmunson, Eskridge, Field(18), Field(23), Garrett, Hart, Jaquet, Kemp, Lake, LeFavour, Loertscher, Martinez, McKague, Moyle, Nielsen, Pasley-Stuart, Pence, Raybould, Ring, Ringo, Roberts, Rusche, Sali, Sayler, Shepherd(2), Shepherd(8), Shirley, Skippen, Smith(30), Smith(24), Smylie, Snodgrass, Stevenson, Trail, Wills, Mr. Speaker. Total -- 54.

NAYS -- Barraclough, Chadderdon, Denney, Ellsworth, Harwood, Henbest, Henderson, Mathews, McGeachin, Miller, Nonini, Rydaldh, Schaefer, Wood. Total -- 14.

Absent and excused -- Bayer, Mitchell. Total -- 2.

Paired Votes:

AYE -- Trail. NAY -- Ellsworth.

AYE -- Clark. NAY -- Wood.

(Pairs enumerated in roll call above.)

Total -- 70.

Whereupon the Speaker declared **SCR 132** passed the House. Title was approved and the resolution was ordered returned to the Senate.

Mr. Moyle asked unanimous consent that **S 1492**, as amended, be placed at the top of the Third Reading Calendar. There being no objection, it was so ordered.

S 1492, as amended, was read the third time at length, section by section, and placed before the House for final consideration.

At this time, the Speaker recognized Mr. Denney to open debate.

The question being, "Shall **S 1492**, as amended, pass?"

Roll call resulted as follows:

AYES -- Anderson, Andrus, Barraclough, Barrett, Bastian, Bedke, Bell, Bilbao, Block, Boe, Bolz, Brackett, Bradford, Cannon, Chadderdon, Collins, Crow, Deal, Denney, Edmunson, Ellsworth, Eskridge, Field(18), Field(23), Garrett, Hart, Harwood, Henbest, Henderson, Jaquet, Kemp, Lake, LeFavour, Loertscher, Martinez, Mathews, McGeachin, McKague, Miller, Moyle, Nielsen, Nonini, Pasley-Stuart, Pence, Raybould, Ring, Roberts, Rusche, Rydaldh, Sali, Sayler, Schaefer, Shepherd(2), Shepherd(8), Shirley, Skippen, Smith(30), Smith(24), Smylie, Snodgrass, Stevenson, Wills, Wood, Mr. Speaker. Total -- 64.

NAYS -- Ringo. Total -- 1.

Absent and excused -- Bayer, Black, Clark, Mitchell, Trail. Total -- 5.

Total -- 70.

Whereupon the Speaker declared **S 1492**, as amended, passed the House. Title was approved and the bill was ordered returned to the Senate.

There being no objection, the House returned to the Fourth Order of Business.

WOOD, Secretary

**Consideration of Messages from the
Governor and the Senate**

April 10, 2006

Mr. Speaker:

I return herewith enrolled **H 869, H 870, H 871, H 872, H 873, H 874, H 875, and H 877** which have been signed by the President.

WOOD, Secretary

Enrolled **H 869, H 870, H 871, H 872, H 873, H 874, H 875, and H 877** were referred to the Judiciary, Rules, and Administration Committee for delivery to the Governor.

Report of Standing Committees

April 10, 2006

Mr. Speaker:

We, your COMMITTEE ON JUDICIARY, RULES, AND ADMINISTRATION, report that we have enrolled **H 673**, as amended in the Senate.

FIELD(18), Chairman

The Speaker announced he was about to sign enrolled **H 673**, as amended in the Senate, and, when so signed, ordered it transmitted to the Senate for the signature of the President.

April 10, 2006

Mr. Speaker:

We, your COMMITTEE ON JUDICIARY, RULES, AND ADMINISTRATION, report that we have transmitted enrolled **H 869, H 870, H 871, H 872, H 873, H 874, H 875, and H 877** to the Governor at 11:40 a.m., as of this date, April 10, 2006.

FIELD(18), Chairman

S 1404 held at the Desk March 28, 2006, was referred to General Orders.

There being no objection, the House returned to the Fourth Order of Business.

**Consideration of Messages from the
Governor and the Senate**

April 10, 2006

Mr. Speaker:

I transmit herewith enrolled **S 1482**, as amended, **S 1492**, as amended, and **SCR 132** for the signature of the Speaker.

WOOD, Secretary

The Speaker announced he was about to sign enrolled **S 1482**, as amended, **S 1492**, as amended, and **SCR 132** and, when so signed, ordered them returned to the Senate.

April 10, 2006

Mr. Speaker:

I return herewith enrolled **H 673**, as amended in the Senate, which has been signed by the President.

Enrolled **H 673**, as amended in the Senate, was referred to the Judiciary, Rules, and Administration Committee for delivery to the Governor.

April 10, 2006

Mr. Speaker:

I return herewith **HCR 63** which has passed the Senate.

WOOD, Secretary

HCR 63 was referred to the Judiciary, Rules, and Administration Committee for enrolling.

Report of Standing Committees

April 10, 2006

Mr. Speaker:

We, your COMMITTEE ON JUDICIARY, RULES, AND ADMINISTRATION, report that we have enrolled **HCR 63**.

FIELD(18), Chairman

The Speaker announced he was about to sign enrolled **HCR 63**, and, when so signed, ordered it transmitted to the Senate for the signature of the President.

There being no objection, the House advanced to the Twelfth Order of Business.

Consideration of General Orders

Mr. Denney moved that the House do now resolve itself into a Committee of the Whole House for the consideration of General Orders. Seconded by Ms. Jaquet. Motion carried.

Whereupon the House resolved itself into a Committee of the Whole House for the consideration of General Orders with Mr. Moyle in the Chair.

When the Committee of the Whole House rose, the Speaker returned to the Chair and the House was in order.

Report of the Committee of the Whole House

April 10, 2006

Mr. Speaker:

We, your COMMITTEE OF THE WHOLE HOUSE, report that we have had under consideration **S 1404** and report it back without recommendation, amended as follows:

HOUSE AMENDMENT TO S 1404

AMENDMENT TO THE BILL

On page 2 of the printed bill, delete lines 6 through 8 and insert:

"SECTION 2. That Section 33-802, Idaho Code, be, and the same is hereby amended to read as follows:

33-802. School levies. Any tax levied for school purposes shall be a lien on the property against which the tax is levied. The board of trustees shall determine the levies upon each dollar of taxable property in the district for the ensuing fiscal year as follows:

1. Bond, Interest and Judgment Obligation Levies. Such levies as shall be required to satisfy all maturing bond, bond interest, and judgment obligations.

2. Maximum School Maintenance and Operation Levies. Such levies for maintaining and operating the schools of the district and for the payment of tuition and transportation, that do not exceed an amount equal to ~~four-tenths of one percent (.4%) during tax year 1994, and do not exceed an amount equal to three-tenths fifteen-hundredths~~ of one percent (.315%) during tax year ~~1995~~ 2006 and thereafter, applied to the actual or adjusted market value for assessment purposes of the district as such valuation existed on December 31 of the previous year, but allowances necessary as a credit for prepaid taxes, as provided in section 63-1607, Idaho Code, shall not be included in such maximum levies. Provided however, that in the event property within a district's boundaries is contained in a revenue allocation area established under chapter 29, title 50, Idaho Code, and such revenue allocation area has given notice of termination thereunder, then, only for the purpose of determining the levy described in this subsection, the district may add the increment value, as defined in section 50-2903, Idaho Code, to the actual or adjusted market value for assessment purposes of the district as such value existed on December 31 of the previous year. For tax year 2007 and thereafter, the levy rate limitation of this subsection 2. shall be modified as follows:

(a) Multiply the amount of money raised statewide in the prior year pursuant to this section by one and three-hundredths (1.03);

(b) Subtract the value of any increase in statewide market value for assessment purposes resulting from new construction or change of land use classification as evidenced by the value shown on the new construction roll compiled pursuant to section 63-301A, Idaho Code, from the actual or adjusted statewide market value as such valuation existed on December 31 of the previous year;

(c) Divide the amount in subsection 2.(a) of this section by the amount in subsection 2.(b) of this section;

(d) Reduce the rate resulting from the calculation in subsection 2.(c) of this section by an amount equal to the moneys appropriated pursuant to section 33-1002D, Idaho Code.

3. Authorized School Maintenance and Operation Levies. Such levies for maintaining and operating the schools of the district and for the payment of tuition and transportation that do not exceed one hundred eleven percent (111%) of the local district's contribution authorized in subsection 2. of section 33-1002, Idaho Code. Implementation of the provisions of this subsection shall be authorized only after approval by a majority of the district's electors voting on the question. Levies otherwise authorized by law shall not require an election.

4. Supplemental Maintenance and Operation Levies. No levy in excess of the levy permitted by subsection 2. or 3. of this section shall be made by a noncharter school district unless such a supplemental levy in a specified amount and for a specified time

not to exceed two (2) years be first authorized through an election held pursuant to chapter 4, title 33, Idaho Code, and approved by a majority of the district electors voting in such election. A levy approved pursuant to this subsection may be reduced by a majority vote of the board of trustees in the second year.

5. Charter District Supplemental Maintenance and Operation. Levies pursuant to the respective charter of any such charter district shall be first authorized through an election held pursuant to chapter 4, title 33, Idaho Code, and approved by a majority of the district electors voting in such election.

6. The Local District Contribution. The local school district contribution levy is the amount utilized for calculating local district participation in the educational foundation program, which is applied to the adjusted market value for assessment purposes, as such valuation existed on December 31 of the previous year, together with the increment value, as defined in section 50-2903, Idaho Code, if applicable under the circumstance described in subsection 2. of this section, relating to termination of a revenue allocation area.

7. The board of trustees of any school district that has, for at least seven (7) consecutive years, been authorized through an election held pursuant to chapter 4, title 33, Idaho Code, to certify a supplemental levy that has annually been equal to or greater than twenty percent (20%) of the total general maintenance and operation fund, may submit the question of an indefinite term supplemental levy to the electors of the school district. Such question shall clearly state the dollar amount that will be certified annually and that the levy will be for an indefinite number of years. The question must be approved by a majority of the district electors voting on the question in an election held pursuant to chapter 4, title 33, Idaho Code. The levy approved pursuant to this subsection may be reduced by a majority vote of the board of trustees during any fiscal year.

8. School districts not receiving state equalization funds in fiscal year 2006 may authorize a budget stabilization levy for fiscal years 2007 through 2011. Such levies shall not exceed the following amount:

(a) The amount of money the school district received from its maintenance and operation levy and state property tax replacements fund in fiscal year 2006; minus

(b) The amount of money the school district will receive from its maintenance and operation levy and state property tax replacement funds in fiscal year 2007, and the amount of equalized state funds that the state department of education estimates the school district will receive in fiscal year 2007.

SECTION 3. That Section 33-1002, Idaho Code, be, and the same is hereby amended to read as follows:

33-1002. Educational support program. The educational support program is calculated as follows:

1. State Educational Support Funds. Add the state appropriation, including the moneys available in the public school income fund, together with all miscellaneous revenues to determine the total state funds.

2. From the total state funds subtract the following amounts needed for state support of special programs provided by a school district:

a. Pupil tuition-equivalency allowances as provided in section

33-1002B, Idaho Code;

b. Transportation support program as provided in section 33-1006, Idaho Code;

c. Feasibility studies allowance as provided in section 33-1007A, Idaho Code;

d. The approved costs for border district allowance, provided in section 33-1403, Idaho Code, as determined by the state superintendent of public instruction;

e. The approved costs for exceptional child approved contract allowance, provided in subsection 2. of section 33-2004, Idaho Code, as determined by the state superintendent of public instruction;

f. Certain expectant and delivered mothers allowance as provided in section 33-2006, Idaho Code;

g. Salary-based apportionment calculated as provided in sections 33-1004 through 33-1004F, Idaho Code;

h. Unemployment insurance benefit payments according to the provisions of section 72-1349A, Idaho Code;

i. For expenditure as provided by the public school technology program;

j. For the support of provisions that provide a safe environment conducive to student learning and maintain classroom discipline, an allocation of \$300 per support unit; and

k. Any additional amounts as required by statute to effect administrative adjustments or as specifically required by the provisions of any bill of appropriation;

to secure the state educational support funds.

3. Local Districts' Contribution Calculation. Without including any allowance as a credit for prepaid taxes as provided by section 63-1607, Idaho Code, the local districts' contribution shall be ~~the amount appropriated pursuant to section 33-1002D, Idaho Code, plus three-tenths percent (.3%) during fiscal year 2003-04 and each year thereafter, a percentage~~ of the total state adjusted market value for assessment purposes for the previous year with such percentage being determined pursuant to section 33-802, Idaho Code, and with such value being determined by the provisions of section 63-315, Idaho Code, with such value being multiplied by the percentage calculated in section 33-802 2.(a), (b), (c) and (d), Idaho Code, and four-tenths percent (.4%) during fiscal year 1994-95 and each year thereafter, of the cooperative electrical associations' property values that have been derived from the taxes paid in lieu of ad valorem property taxes for the previous year as provided in section 63-3502, Idaho Code. In order to receive state funds, pursuant to this section, a charter district shall utilize a school maintenance and operation property tax levy, for the purposes of calculating the moneys to be raised, that is no greater than that which it levied in tax year 1994, less the difference between the maximum levy rate permitted by section 33-802, Idaho Code, and four-tenths of one percent (.4%).

4. Educational Support Program Distribution Funds. Add the local districts' contribution, subsection 3. of this section, and the state educational support program funds, subsection 1. of this section, together to secure the total educational support program distribution funds.

5. Average Daily Attendance. The total state average daily attendance shall be the sum of the average daily attendance of all of the school districts of the state. The state board of education

shall establish rules setting forth the procedure to determine average daily attendance and the time for, and method of, submission of such report. Average daily attendance calculation shall be carried out to the nearest hundredth. Computation of average daily attendance shall also be governed by the provisions of section 33-1003A, Idaho Code.

6. Support Units. The total state support units shall be determined by using the tables set out hereafter called computation of kindergarten support units, computation of elementary support units, computation of secondary support units, computation of exceptional education support units, and computation of alternative school secondary support units. The sum of all of the total support units of all school districts of the state shall be the total state support units.

COMPUTATION OF KINDERGARTEN SUPPORT UNITS

Average Daily Attendance	Attendance Divisor	Units Allowed
41 or more	40.....	1 or more as computed
31 - 40.99 ADA....	-.....	1
26 - 30.99 ADA....	-.....	.85
21 - 25.99 ADA....	-.....	.75
16 - 20.99 ADA....	-.....	.6
8 - 15.99 ADA....	-.....	.5
1 - 7.99 ADA....	-.....	count as elementary

COMPUTATION OF ELEMENTARY SUPPORT UNITS

Average Daily Attendance	Attendance Divisor	Minimum Units Allowed
300 or more ADA.....		15
..23...grades 4,5 & 6....		
..22...grades 1,2 & 3....1994-95		
..21...grades 1,2 & 3....1995-96		
..20...grades 1,2 & 3....1996-97		
and each year thereafter.		
160 to 299.99 ADA... 20.....		8.4
110 to 159.99 ADA... 19.....		6.8
71.1 to 109.99 ADA... 16.....		4.7
51.7 to 71.0 ADA... 15.....		4.0
33.6 to 51.6 ADA... 13.....		2.8
16.6 to 33.5 ADA... 12.....		1.4
1.0 to 16.5 ADA... n/a.....		1.0

COMPUTATION OF SECONDARY SUPPORT UNITS

Average Daily Attendance	Attendance Divisor	Minimum Units Allowed
750 or more	18.5.....	47
400 - 749.99 ADA....	16.....	28
300 - 399.99 ADA....	14.5.....	22
200 - 299.99 ADA....	13.5.....	17
100 - 199.99 ADA....	12.....	9
99.99 or fewer	Units allowed as follows:	
Grades 7-12		8
Grades 9-12		6
Grades 7- 9		1 per 14 ADA
Grades 7- 8		1 per 16 ADA

COMPUTATION OF EXCEPTIONAL EDUCATION

SUPPORT UNITS

Average Daily Attendance	Attendance Divisor	Minimum Units Allowed
14 or more	14.5.....	1 or more as computed
12 - 13.99....	1
8 - 11.99....75
4 - 7.99....5
1 - 3.99....25

COMPUTATION OF ALTERNATIVE SCHOOL
SECONDARY SUPPORT UNITS

Pupils in Attendance	Attendance Divisor	Minimum Units Allowed
12 or more.....	12.....	1 or more as computed

In applying these tables to any given separate attendance unit, no school district shall receive less total money than it would receive if it had a lesser average daily attendance in such separate attendance unit. In applying the kindergarten table to a kindergarten program of less days than a full school year, the support unit allowance shall be in ratio to the number of days of a full school year. The tables for exceptional education and alternative school secondary support units shall be applicable only for programs approved by the state department of education following rules established by the state board of education. Moneys generated from computation of support units for alternative schools shall be utilized for alternative school programs. School district administrative and facility costs may be included as part of the alternative school expenditures.

7. State Distribution Factor per Support Unit. Divide educational support program distribution funds, after subtracting the amounts necessary to pay the obligations specified in subsection 2. of this section, by the total state support units to secure the state distribution factor per support unit.

8. District Share of State Funds for Educational Support Program. Ascertain a district's share of state funds for the educational support program as follows:

a. District Contribution Calculation. Without including any allowance as a credit for prepaid taxes, as provided in section 63-1607, Idaho Code, the district contribution calculation shall be the rate determined under subsection 3. of this section.

b. District Support Units. The number of support units for each school district in the state shall be determined as follows:

(1) Divide the actual average daily attendance, excluding students approved for inclusion in the exceptional child educational program, for the administrative schools and each of the separate schools and attendance units by the appropriate divisor from the tables of support units in this section, then add the quotients to obtain the district's support units allowance for regular students, kindergarten through grade 12 including alternative school secondary students. Calculations in application of this subsection shall be carried out to the nearest tenth.

(2) Divide the combined totals of the average daily attendance of all preschool, handicapped, kindergarten, elementary, secondary and juvenile detention center students approved for inclusion in the exceptional child program of the district by the appropriate divisor from the table for computation of exceptional education

support units to obtain the number of support units allowed for the district's approved exceptional child program. Calculations for this subsection shall be carried out to the nearest tenth when more than one (1) unit is allowed.

(3) The total number of support units of the district shall be the sum of the total support units for regular students, subsection 8.b.(1) of this section, and the support units allowance for the approved exceptional child program, subsection 8.b.(2) of this section.

c. Total District Allowance Educational Program. Multiply the district's total number of support units, carried out to the nearest tenth, by the state distribution factor per support unit and to this product add the approved amount of programs of the district provided in subsection 2. of this section to secure the district's total allowance for the educational support program.

d. District Share. To secure the district's share of state apportionment, subtract the amount of the local district contribution calculation, subsection 3. of this section, from the amount of the total district allowance, subsection 8.c. of this section.

e. Adjustment of District Share. The contract salary of every noncertificated teacher shall be subtracted from the district's share as calculated from the provisions of subsection 8.d. of this section.

SECTION 4. That Section 33-1002D, Idaho Code, be, and the same is hereby amended to read as follows:

33-1002D. Property tax ~~replacement~~ relief. The purpose of this section is to provide ongoing property tax relief. All moneys transferred to the public school income fund, pursuant to section 67-6804, Idaho Code, shall be annually appropriated by the legislature to the educational support program/division of operations as state discretionary funds. replace a portion of the authorized school maintenance and operation property tax levy with state sales tax receipts. As used in this section, the term "property tax computation ratio" shall mean a ratio determined by dividing the district's certified property tax maintenance and operation budget by the actual or adjusted market value for assessment purposes as such values existed on December 31 of the previous calendar year, together with the increment value, as defined in section 50-2903, Idaho Code, if applicable under the circumstance described in section 33-802 2., Idaho Code, relating to termination of a revenue allocation area.

(1) (a) In the case of a school district that had a property tax computation ratio of not less than four-tenths of one percent (.4%) in tax year 1994, that school district shall receive from the appropriations made for that purpose, an amount equal to the greater of the district's actual or adjusted market value for assessment purposes as such valuation existed on December 31 of the previous calendar year, together with the increment value, as defined in section 50-2903, Idaho Code, if applicable under the circumstance described in section 33-802 2., Idaho Code, relating to termination of a revenue allocation area, multiplied by one-tenth of one percent (.1%):

(b) In the case of a school district that had a property tax computation ratio of less than four-tenths of one percent

~~(.4%) in tax year 1994, the greater of the 1992, 1993 or 1994 property tax computation ratio less three-tenths of one percent (.3%) shall be designated the district's base multiplier. In no case shall the base multiplier be less than zero (0). Four-tenths of one percent (.4%) less the greater of the district's 1992, 1993 or 1994 property tax computation ratio shall be designated the district's adjustment factor. In no case shall the adjustment factor be greater than one-tenth of one percent (.1%) or less than zero (0). Each school district's actual multiplier shall be the base multiplier plus one-fifth (1/5) of the adjustment factor in tax year 1995, the base multiplier plus two-fifths (2/5) of the adjustment factor in tax year 1996, the base multiplier plus three-fifths (3/5) of the adjustment factor in tax year 1997, the base multiplier plus four-fifths (4/5) of the adjustment factor in tax year 1998, and the base multiplier plus the adjustment factor in tax year 1999 and beyond. Each school district shall receive, from the appropriations made for that purpose, an amount equal to the district's actual or adjusted market value for assessment purposes as such valuation existed on December 31 of the previous calendar year, together with the increment value, as defined in section 50-2903, Idaho Code, if applicable under the circumstance described in section 33-802 2., Idaho Code, relating to termination of a revenue allocation area, multiplied by the district's actual multiplier.~~

~~(c) The preceding provisions of this subsection notwithstanding, appropriations from the state for the value of one-tenth of one percent (.1%) of the greater of the district's actual or adjusted market value for assessment purposes as such valuation existed on December 31 of the previous calendar year, together with the increment value, as defined in section 50-2903, Idaho Code, if applicable under the circumstance described in section 33-802 2., Idaho Code, relating to termination of a revenue allocation area, shall not exceed seventy-five million dollars (\$75,000,000) in any fiscal year. If the amount school districts would otherwise be entitled to receive pursuant to the preceding provisions of this subsection exceeds seventy-five million dollars (\$75,000,000), then each school district shall receive its share of seventy-five million dollars (\$75,000,000) based on the formulas contained in this section.~~

~~(2) (a) Participation in this property tax reduction program is voluntary for a charter district. If a charter district participates, in addition to the provisions of subsection (1) of this section it shall not have a property tax computation ratio that is above three-tenths of one percent (.3%) or the district's property tax computation ratio in tax year 1994, less one-tenth of one percent (.1%), whichever is greater.~~

~~(b) If in any year the charter district's property tax computation ratio used to calculate its maintenance and operation budget is increased above the limit specified in this subsection the district shall not be eligible for the distribution pursuant to subsection (1) of this section for that year.~~

~~(3) Limitations imposed upon a school district's property tax computation ratio under the provisions of this section do not apply to any levy approved by electors of the school district as provided by law.~~

~~(4) Distributions calculated as provided in this section shall be made to school districts of this state in two (2) equal~~

~~installments on the due dates as specified in section 63-903(1), Idaho Code, for the property taxes being replaced.~~

~~(5) For purposes of section 33-1002, Idaho Code, moneys distributed pursuant to this section shall not be included in determining total state funds.~~

SECTION 5. That Chapter 68, Title 67, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 67-6804, Idaho Code, and to read as follows:

67-6804. TRANSFER OF EXCESS REVENUES. (1) The legislature finds that it is in the best interest of the taxpayers of the state of Idaho to establish a state budget system that captures surplus revenues for the purposes described herein.

(2) If the state controller certifies that the receipts to the general fund for the fiscal year just ending have exceeded the receipts of the previous fiscal year by more than eight percent (8%), then the state controller shall transfer all general fund collections in excess of said eight percent (8%) increase to the public school income fund.

(3) Once a transfer has been made, pursuant to this section, the state controller shall transfer the same dollar amount to the public school income fund in each subsequent fiscal year. If the provisions of subsection (2) of this section cause further transfers to be made, then the annual transfer made by the state controller shall be increased by a like amount.

(4) All transfers to the public school income fund authorized by this section shall be expended pursuant to the provisions of section 33-1002D, Idaho Code.

SECTION 6. An emergency existing therefor, which emergency is hereby declared to exist, Section 2 of this act shall be in full force and effect on and after passage and approval, and retroactively to January 1, 2006. Section 1 of this act shall be in full force and effect on and after passage and approval. Sections 3, 4 and 5 of this act shall be in full force and effect on and after July 1, 2006."

CORRECTION TO TITLE

On page 1, in line 2 delete "RELATING TO SCHOOL BONDS" and insert: "RELATING TO TAXATION POLICIES FOR FUNDING PUBLIC SCHOOLS"; and delete line 5 and insert: "PURPOSES"; AMENDING SECTION 33-802, IDAHO CODE, TO REDUCE THE MAINTENANCE AND OPERATION LEVY, TO REVISE HOW MAXIMUM SCHOOL MAINTENANCE AND OPERATION LEVIES ARE CALCULATED FOR TAX YEAR 2007 AND THEREAFTER AND TO PROVIDE FOR A BUDGET STABILIZATION LEVY FOR CERTAIN DISTRICTS; AMENDING SECTION 33-1002, IDAHO CODE, TO REDUCE THE LOCAL DISTRICTS' CONTRIBUTION, TO PROVIDE FOR CALCULATION OF THE NUMBER, TO REQUIRE SCHOOL DISTRICTS TO REDUCE THEIR LOCAL DISTRICT'S CONTRIBUTION TO BE ELIGIBLE FOR EDUCATIONAL SUPPORT PROGRAM DISTRIBUTION FUNDS AND TO MAKE A TECHNICAL CORRECTION; AMENDING SECTION 33-1002D, IDAHO CODE, TO PROVIDE ONGOING PROPERTY TAX RELIEF AND TO PROVIDE

THAT MONEYS IN THE FUND SHALL BE STATE DISCRETIONARY FUNDS; AMENDING CHAPTER 68, TITLE 67, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 67-6804, IDAHO CODE, TO PROVIDE FOR THE TRANSFER OF EXCESS REVENUES OF THE GENERAL FUND UPON CERTAIN CIRCUMSTANCES OCCURRING AND TO PROVIDE FOR TRANSFERS TO THE PUBLIC SCHOOL INCOME FUND; DECLARING AN EMERGENCY, PROVIDING RETROACTIVE APPLICATION AND PROVIDING EFFECTIVE DATES."

We have also had under consideration **H 677** and **H 789**, report progress and beg leave to sit again.

MOYLE, Chairman

Mr. Moyle moved that the report be adopted. Seconded by Mr. Denney.

Whereupon the Speaker declared the report adopted.

S 1404, as amended in the House, was filed for first reading.

H 677 and **H 789** were retained on General Orders.

The amendments were referred to Judiciary, Rules, and Administration committee for printing.

There being no objection, the House returned to the Fifth Order of Business.

Report of Standing Committees

April 10, 2006

Mr. Speaker:

We, your COMMITTEE ON JUDICIARY, RULES, AND ADMINISTRATION report that we have printed House Amendments to **S 1404**.

FIELD(18), Chairman

There being no objection, the House advanced to the Eleventh Order of Business.

Third Reading of Bills and Joint Resolutions

Mr. Denney asked unanimous consent that the remaining bills on the Third Reading Calendar retain their places for one Legislative Day. There being no objection, it was so ordered.

There being no objection, the House returned to the Eighth Order of Business.

Introduction, First Reading, and Reference of Bills and Joint Resolutions

S 1404, as amended in the House, by State Affairs Committee, was introduced, read the first time by title, and filed for second reading.

There being no objection, the House returned to the Seventh Order of Business.

Motions, Memorials, and Resolutions

Mr. Denney moved that all rules of the House interfering with the immediate consideration of **S 1404**, as amended in the House, be suspended; that the portions of Section 15, Article 3 of the Constitution of the State of Idaho, requiring all bills to be read on three several days be dispensed with, this being a case of urgency; and that **S 1404**, as amended in the House, be read the first time by title, second time by title, and third time at length, section by section, and placed before the House for final consideration. Seconded by Mr. Moyle.

The question being, "Shall the rules be suspended?"

Roll call resulted as follows:

AYES -- Anderson, Andrus, Barraclough, Barrett, Bastian, Bayer, Bedke, Bell, Bilbao, Black, Block, Bolz, Brackett, Bradford, Cannon, Chadderdon, Collins, Crow, Deal, Denney, Edmunson, Ellsworth, Eskridge, Field(18), Field(23), Garrett, Hart, Harwood, Kemp, Lake, Loertscher, Mathews, McGeachin, McKague, Miller, Moyle, Nielsen, Nonini, Raybould, Ring, Roberts, Rydalch, Sali, Schaefer, Shepherd(2), Shepherd(8), Shirley, Skippen, Smith(24), Smylie, Snodgrass, Stevenson, Wills, Wood, Mr. Speaker. Total -- 55.

NAYS -- Boe, Henbest, Jaquet, LeFavour, Martinez, Pasley-Stuart, Pence, Ringo, Rusche, Sayler, Smith(30). Total -- 11.

Absent and excused -- Clark, Henderson, Mitchell, Trail. Total -- 4.

Total -- 70.

Whereupon the Speaker declared that more than two-thirds of the membership having voted in the affirmative, the motion carried, the rules were suspended, and **S 1404**, as amended in the House, was read the first time by title, second time by title, and third time at length, section by section, and placed before the House for final consideration.

At this time, the Speaker recognized Mr. Roberts and Mr. Bolz to open debate.

Mr. Roberts asked unanimous consent that, pursuant to Rule 22, discussion of other bills be allowed in debate of **S 1404**, as amended in the House. There being no objection, it was so ordered.

The question being, "Shall **S 1404**, as amended in the House, pass?"

Roll call resulted as follows:

AYES -- Anderson, Andrus, Barraclough, Barrett, Bastian, Bayer, Bedke, Bell, Bilbao, Black, Block, Bolz, Brackett, Bradford, Cannon, Chadderdon, Clark, Collins, Crow, Deal, Denney, Ellsworth, Eskridge, Field(18), Field(23), Garrett, Hart, Harwood, Henderson, Lake, Loertscher, Mathews, McGeachin, McKague, Moyle, Nielsen, Nonini, Raybould, Ring, Roberts,

Rydalch, Sali, Sayler, Schaefer, Shepherd(2), Shepherd(8), Shirley, Skippen, Smith(24), Stevenson, Wills, Wood, Mr. Speaker. Total -- 53.

NAYS -- Boe, Edmunson, Henbest, Jaquet, Kemp, LeFavour, Martinez, Miller, Mitchell, Pasley-Stuart, Pence, Ringo, Rusche, Smith(30), Smylie, Snodgrass. Total -- 16.

Absent and excused -- Trail. Total -- 1.

Paired Votes:

AYE -- Bradford. NAY -- Mitchell.

AYE -- Clark. NAY -- Edmunson.

(Pairs enumerated in roll call above.)

Total -- 70.

Whereupon the Speaker declared **S 1404**, as amended in the House, passed the House. Title was approved and the bill was ordered returned to the Senate.

There being no objection, the House advanced to the Sixteenth Order of Business.

Adjournment

Mr. Moyle moved that the House adjourn until 10 a.m., Tuesday, April 11, 2006. Seconded by Mr. Sayler. Motion carried.

Whereupon the Speaker declared the House adjourned at 5:19 p.m.

BRUCE NEWCOMB, Speaker

ATTEST:

PAMM JUKER, Chief Clerk